

ORDINANCE NO. _____, SERIES 2006

AN ORDINANCE (A) ESTABLISHING A DEVELOPMENT AREA PURSUANT TO KENTUCKY REVISED STATUTES 65.490 TO 65.499, INCLUSIVE, (B) DESIGNATING THE METRO DEVELOPMENT AUTHORITY AS AN "AGENCY" FOR PURPOSES OF KENTUCKY REVISED STATUTES 65.490 TO 65.499, INCLUSIVE, AND (C) ENCOURAGING THE COMMONWEALTH'S GENERAL ASSEMBLY AND GOVERNOR TO PASS AND ENACT LEGISLATION WHICH FURTHER SUPPORTS THE DEVELOPMENT OF LARGE ECONOMIC DEVELOPMENT PROJECTS. (Amended by Substitution).

SPONSORED BY: Councilwoman Julie Adams and Councilman David Tandy

WHEREAS, Museum Plaza (the "Project") will significantly benefit Louisville and the Commonwealth of Kentucky by increasing state and local tax revenues, creating new jobs, enhancing regional tourism, adding public park space, improving road, flood protection, and pedestrian infrastructure, increasing property tax values, stimulating private investment in Downtown Louisville, and adding a new arts institution to our community; and

WHEREAS, Museum Plaza will be an approximately \$465 million, 1.5 million square foot mixed-use project which includes a new contemporary art museum, a 240 room luxury hotel, residential condominiums, 270,000 square feet of Class A office space, parking garage, restaurants, and retail outlets; and

WHEREAS, the public portions of the Project will include a park, pedestrian promenade connecting Main Street to the Muhammad Ali Center, extension of River Road west to Eighth Street, extension of Eighth Street north to River Road, reconfiguration of Washington Street, and other infrastructure and public improvements; and

WHEREAS, the provisions of KRS 65.490 through KRS 65.499 authorize a program whereby anticipated or realized increases in tax revenues ("increments") resulting from the increase in property values, sales and employment within a development area and meeting certain other requirements are utilized for revitalization projects within the area as a result of grants issued by the Commonwealth derived from such increments; and

WHEREAS, the Commonwealth of Kentucky, Louisville Metro, and Museum Plaza LLC and affiliates intend to invest in the Project, thereby serving as an economic development catalyst for downtown Louisville, and more particularly, the approximately four (4) acre area bounded on the east by the western edge of the PARC garage located below the Muhammad Ali Center, on the south by West Washington Street, on the west by North Eighth Street, and on the north by West River Road, and also including the area encompassed by the property located at 615 through 621 West Main Street and at Fort Nelson Park, all as further detailed on Exhibit A attached hereto (the "Development Area"); and

WHEREAS, the Development Area qualifies as a "development area" within the meaning of KRS 65.490 through KRS 65.499 and therefore is eligible to become a pilot program for the use of tax increment "grant contracts" in order to finance the public portions of the Project; and

WHEREAS, the Metro Development Authority is an "agency" within the meaning of KRS 65.490 through 65.499, and is designated by Louisville Metro to serve as the local governmental "agency" to enter into a grant contract with the Commonwealth to obtain various tax increment revenues and to issue bonds, notes or other evidence of indebtedness in anticipation of tax increment revenues.

WHEREAS, Section 1 and Section 2 of this Ordinance shall, in part, clarify the Museum Plaza Development Area Exemptions in Ordinance No. 226, Series 2006, as contemplated by Section 2 herein.

BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

Section 1. Establishment of Development Area. The Development Area is hereby established as a "development area," as contemplated and empowered by KRS 65.490 through KRS 65.499, and shall be named the "Museum Plaza Development Area."

Section 2. Designation of Metro Development Authority as Agency for Museum Plaza Development Area. The Metro Development Authority is hereby designated as an "agency" for purposes of KRS 65.490 through KRS 65.499 for tax increment financing and public project development within the Development Area and, together with the City, intends to enter into a grant contract with the Commonwealth to obtain all available tax increment revenues and to issue bonds, notes or other evidence of indebtedness in anticipation of tax increment revenues for the benefit of the public portions of the Project. Any guarantee or general obligation of Louisville Metro of any indebtedness in connection with this Project will require the further specific authorization of Louisville Metro Council.

Section 3. Encouragement of Kentucky's General Assembly and Governor to Pass and Enact Legislation. Louisville Metro encourages the Governor to propose and the General Assembly to enact legislation in the upcoming legislative session which support and complete the development of public portions of important, large economic development projects including, but not limited to, extending the duration of pilot programs under KRS 65.490 through 65.499, clarifying which taxes may be utilized under such a pilot program, and exempting sales tax on construction material for certain projects.

Section 4. Effective Date. This Ordinance shall take effect upon its passage and approval.

Kathleen J. Herron
Metro Council Clerk

Kevin J. Kramer
President of the Council

Jerry E. Abramson
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Irv Maze
Jefferson County Attorney

By: _____

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